Cost of Growth: Who Pays? Development Exactions and Special Districts



Transportation Improvements Deliverance Hierarchy

1. On-Site Improvements

(ROW, pavement, sidewalks, curbs, easements, sewer and water lines)

2. Boundary Street Policy

(adjacent street ROW dedication and construction)

3. Traffic Impact Analysis (TIA)

(nearby intersection improvements: signals, turn lanes, etc.)

4. Street Impact Fees (in process)

(off-site street capital facility costs)

5. Transportation User Fees

(system-wide street repair and maintenance costs)

6. Transportation Bonds

(system-wide mobility capital improvements)



Welcome to ImpactFees.com

NEW! The 2012 National Impact Fee Survey is now available (see link below).

STILL RELEVANT. A 2010 study of Florida counties found no differences in building between counties that had reduced or suspended fees and those that did not (see resources, general).

Welcome to ImpactFees.com, the nation's most comprehensive and current collection of online information relating to impact fees and infrastructure financing. This website is provided as a public service by Duncan Associates, one of the nation's leading impact fee consulting firms.

Over the past guarter century, impact fees have become an integral part of local government infrastructure financing. As an offspring of the negotiated exaction and the fee-in-lieu of land dedication, impact fees have done more to change our approach to paying for public facilities than any other single financing technique. Because of them, the phrase "growth should pay its own way" is now part of our national vocabulary.

Impact fees come in many forms and flavors. They first appeared on the American scene in the 1950s and 1960s as capital recovery fees for the funding of water and wastewater facilities. With the decline of Federal and State grants to local governments and the ascension of the antitax revolution in the late 1970s, their use was expanded to several non-utility facilities, such as roads, parks and schools. It was not until the 1980s, however, that impact fees began being universally used for a broader array of municipal facilities, such as fire, police and libraries.

After a series of court cases in Florida, California and Utah validated their usage in the early 1980s, impact fees quickly spread throughout the rapidly-urbanizing Sunbelt and Rocky Mountain West. These cases collectively set forth the "rational nexus" legal doctrine, which established a regulatory road map for the drafting of impact fees at the local level.

- Read more...

Frequently Asked Questions	National Impact Fee Survey	- J 201 - D
 General Study Components Ordinance Provisions Effect of Fees 	A survey by Duncan Associates, giving average fees for single-family detached, multi-family, retail, office and industrial land uses. - Read the latest survey - View all surveys	M - O - Si - Si - Ji Ji - Ji M -

ImpactFees.com Home

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State & Local

State Information

Local Websites



FAQ

- Study Components - Ordinance Provisions Effect of Fees

Latest No:

2014

- April - March
- February

Water and Wastewater Impact Fees

City of Austin

Since 2014

Zone	Water Fee	Wastewater Fee	Water and Wastewater Fee
All Zones	\$5,400	\$2,200	\$7 <i>,</i> 600

Drinking Water Protection Zone Desired Development Zone Urban Desired Development Zone L 1 Austin City Limits

1998 to 2007

Zone	Water Fee	Wastewater Fee	Water and Wastewater Fee	
CURE	\$500	\$300	\$800	
Urban Watersheds	\$600	\$400	\$1,000	
DDZ - Inside	\$700	\$400	\$1,100	~
DDZ - ETJ	\$1,300	\$800	\$2,100	/
DWPZ - Inside	\$1,500	\$1,200	\$2,700	
DWPZ - ETJ	\$1,700	\$1,300	\$3,000	

2007 to 2013

	Zone	Water Fee	Wastewater Fee	Water and Wastewater Fee
_	CURE	\$700	\$400	\$1,100
	Urban Watersheds	\$800	\$500	\$1,300
-	DDZ - Inside	\$1,000	\$600	\$1,600
	DDZ - ETJ	\$1,800	\$1,000	\$2,800
e	DWPZ - Inside	\$2,200	\$1,200	\$3,400
	DWPZ - ETJ	\$2,500	\$1,400	\$3,900

Parkland Development Fees

City of Austin

Since 2016

Density	Fee In-Lieu Per Unit	Development Fee Per Unit	Total Fee Per Unit	
Low Density Fee (Less than 6 units per acre)	\$1,217.73	\$553.28	\$1.771.01	
Medium Density Fee (6 to 12 units per acre)	\$956.79	\$434.72	\$1,391.51	
High Density Fee (more than 12 units per acre)	\$739.33	\$335.92	\$1,075.25	
Hotel/Motel Fee	\$575.94	\$261.68	\$837.62	Parkland Dedication Urban Core

Level of Service: 9.4 acres per 1,000 residents Fee-in-Lieu (land):

Step 1: Land Cost/Level of Service = Cost Per Person Step 2: Density X Land Cost per Person = Fee in Lieu

Development Fee (improvements):

Step 1: Land Cost/Level of Service = Cost per Person

Step 2: Density X Development Cost Per Person = Fee

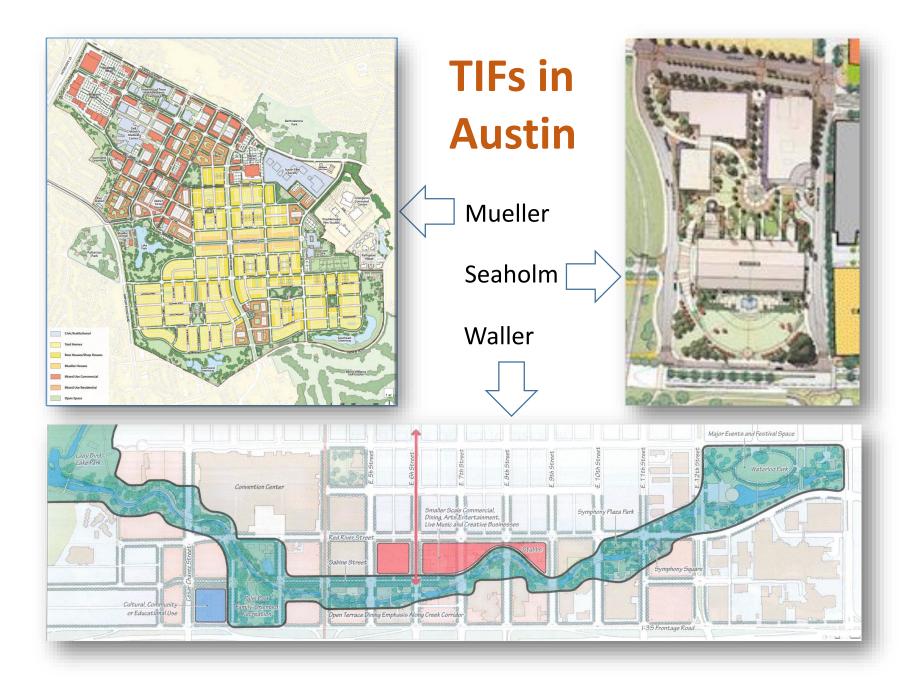
TIFs and PIDs

Tax Increment Financing Districts (TIF)

- A TIF is a **special purpose district** within which new tax revenues from new development are reinvested into the area for the purpose of stimulating new private investment and increasing real estate values.
- A TIF is used to finance new public improvements such as sidewalks, utilities, drainage, landscaping, environmental remediation and historic facades, etc.

Public Improvement Districts (PID)

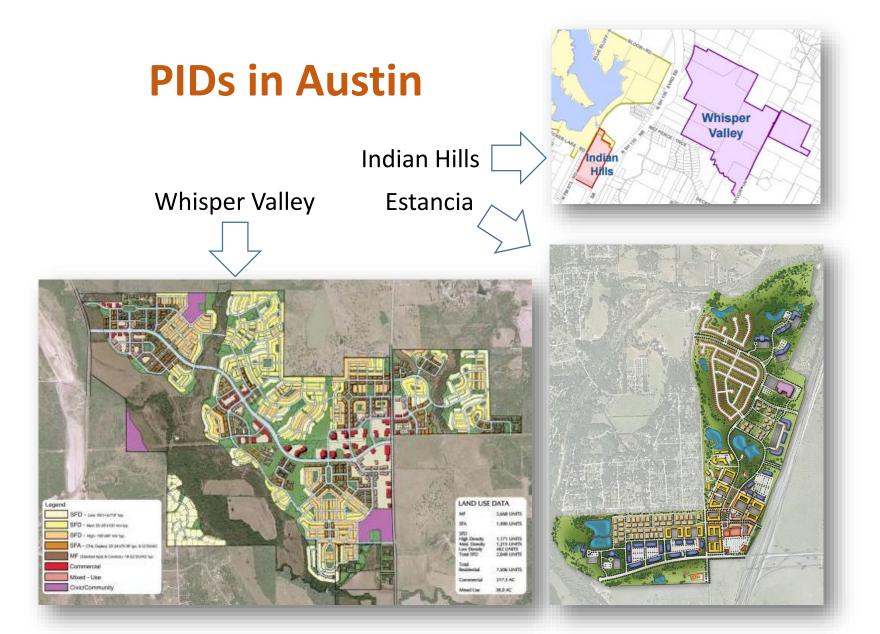
- A PID is a **special assessment district** within which property owners, at their request, pay a supplemental tax assessment for services above and beyond existing City services.
- A PID is used to finance such services as marketing, additional security, landscaping, lighting, street cleaning and recreational improvements.



Tax Increment Financing Districts

City of Austin

	Mueller	Waller	Seaholm	
Purpose	Airport redevelopment	Flood Control	Power Plant redevelopment	
Year	2004	2007	2008	
Infill/Greenfield	Greenfield	Infill	Infill	
Acres	700	126	7.8	
Development	5,900 units 800,000 sf retail 1.1 msf offices 1.2 msf institutional	Drainage tunnel	280 mf units 50,000 sf retail 150,000 sf office 113,000 sf mixed use	
Affordability 1,475 units		0	0	
Assessed Value				
Base \$0		\$236 Million	\$0	
Projected \$1.2 Billion		\$3 Billion	\$407 Million	
Bonded Debt \$50 Million		\$106 Million*	\$20 Million	
Duration	2032	2038	2042	



Public Improvement Districts

City of Austin

	Whisper Valley PUD	Indian Hills PUD	Estancia Hill Country PUD
Year	2015	2015 2015	
Infill/Greenfield	Greenfield	Greenfield	Greenfield
Acres	2,066	240	599
Annex Status	Limited Limited		Limited
Development	2,800 sf units 4,700 mf units 1.3 msf office 1.3 msf retail	1,500 mf units 1.6 msf office 60,000 sf retail 470,000 sf R&D	385 sf units 1,600 mf units 2 msf office 400,000 sf retail
Affordability	SF: 10% @ 80% MFI MF: 10% @ 60% MFI	SF: 10% @ 80% MFI MF: 10% @ 60% MFI	SF: 10% @ 80% MFI MF: 10% @ 60% MFI
Improvements	Braker Lane extensionDecker Lake Roadutility extensionsextension600 acre parkutility extensions		Internal utilities, roads and drainage
Bonded Debt	\$34 million	\$5 million	\$12.5 million
Duration	15 years	15 years	15 years

ESTANCIA HILL COUNTRY Assessment Area No. 1

Project / Developer Information	
Project Name:	Estancia Hill Country
Project Location:	Austin, TX
Project Type:	Master Planned Community
Size (Acres):	593
Land within Assessment Area:	216
Developer:	SLF III - Onion Creek L.P. (Stratford Land)

Special District Financing Snapshot	
District Type:	Public Improvement District
Issuing Agency:	City of Austin, Texas
Bonds Issued:	Special Assessment
Bond Issuance Date:	7/17/2013
Bond Amount:	\$12,590,000
Maximum Bond Term:	5 Years to 15 Years
Bond Interest Rate:	4.5% to 6%
Status of Land when Bonds Issued:	Planned and Entitled
Value to Lien Ratio:	3 to 1
Contracts with Builders?	Yes
Construction or Acquisition District:	Construction
Infrastructure Financed:	Water, Sewer, Roadways, Drainage, Landscaping, Trails





PUD Superiority Analysis

Category	Developer Offer	Value Claim	Comment
Affordable Housing	MF Rental: 10% @60% MFI SF Owner: 10% @ 80% MFI (1550 MF units/750 SF units)	\$5,300,000	Buyers/renters essentially getting market rate housing; Area market is 20- 40% below citywide market.
Green Buildings	All development = 2-Star	\$5,000,000	Benefit to owners, not taxpayers Are 2 out of 5 stars "Superior"?
Open Space/parks	Add 40 acres @ \$87,000/acre to 89 acres for 129 total acres	<mark>\$3,484,800</mark>	Northern park in OC floodplain Southern park in SH45 ROW Does PARD even need or want?
Wastewater service	Reimbursement	\$2,000,000	Bad growth policy; Most cities require growth pay for extensions
Intermodal Transit	No description	\$1,500,000	Not on plan; What transit modes will it serve? CapMetro?
<mark>School Site</mark>	11 acres @ \$120,000/acre	<mark>\$1,489,752</mark>	Not on plan; Why reserve, not dedicate?; Does AISD want site?
Water Quality	Wet pond v. Sed/Fil pond	\$1,350,000	Benefit to owners, not taxpayers
Connectivity	Donate extra 10' along OSR Widen interior sidewalks 8' > 5'	\$874,500 \$52,000	Is extra ROW worth high cost? Benefit to owners, not taxpayers
Street Standards (Design upgrades)	Sidewalks & trees = \$250k Benches & trash bins = \$100k	\$350,000	Benefit to owners, not taxpayers
Fire Station	2 acres @ \$150,000/acre	\$300,000	Not on plan; Why reserve, not dedicate?; Staff says none needed
Heritage Trees	Pay mitigation fee	\$133,000	Site already largely cleared
Tributaries	Protect more than Onion Creek	Intrinsic	???
Volumetric Control	Exceed minimum requirements	Intrinsic	Benefit to owners, not taxpayers
Grow Green	Exceed minimum requirements	Intrinsic	Benefit to owners, not taxpayers
Trails	Add more trails	Intrinsic	Benefit to owners, not taxpayers
Bike Lanes	Along Old San Antonio Road	TBD	No connectivity
Historic/Cultural	Install Historic OSR plaque	Intrinsic	Historic OSR much further east
Neighborhood Compatibility	100 foot buffer adjacent homes	Intrinsic	Buffer not on plan; Dense MF abuts existing SF neighborhood
Imagine Austin Consistency	Near Regional Center	Intrinsic	Actual Regional Center farther east along SH45 btw I-35 and 183
Summary		\$21,834,052	Speculative or Superior?